**BEF Group Terms of Engagement**

**BEF Group Comprises of:**

Business & Enterprise Finance Ltd t/a Business Enterprise Fund (Co no. 1792109), Goole Development Trust (Co no. 3383475), Business & Enterprise Finance (NE) Ltd t/a BEF (North East) (Co no. 09360892), BEF-NPIF LTD (Co No. 10638308) as General Partner of the NPIF YHTV Microfinance LP,

BEF BSC LTD (Co No. 11609382)

**Registered Office:** Devere House, Vicar Lane, Little Germany, Bradford, BD1 5AH

**These Terms of Engagement and the information therein apply to all BEF Group companies and associated funding providers.**

0800 0803145 | info@befund.org | www.befund.org

# Who We Lend to:

* Limited Companies, Sole Traders, Partnerships. All applicants, including the Directors of limited companies must be resident in the UK, on the Electoral Register and subject to our standard due diligence checks.

## If a Loan is offered it is on the condition that the money will be invested in the nominated business as proposed in the Business Plan & Application Form. If the borrower is a limited company, the loan will be to the limited company. If the borrower is a sole trader / unregistered partnership the loan will be a personal loan for business purposes.

# Application Process

* The application process is automated and approval will be based on a credit scoring system. You will be contacted within 48 hours from the submission of your initial application
* An Investment Manager will be appointed to support you in the application process but cannot provide financial advice or complete the financial documentation required for the application.
* Applicants will be informed of the decision by the appointed Investment Manager and these decisions are final with no right of appeal.
* Loan offers may be subject to conditions being met.
* Loan offers remain valid for 30 days from credit sanction. Should this period expire and the loan contract has not been entered into through no fault of BEF Group then you may need to reapply for the loan.

**Any advice, information, guidance or support you receive from an investment manager (or other BEF staff) during or after the application process, does not in any way to constitute the giving of professional advice and BEF Group accepts no responsibility for any reliance you may place on any such information or advice given, which is done entirely at your own risk.**

# Coronavirus Business Interruption Loan Scheme (CBILS)

# CBILS is a government backed guarantee provided by the British Business Bank and provides security to the Lender (Not the Borrower) in the event of default. The CBILS scheme is independent of BEF Group.

# Most applicants for loans with BEF will be considered for CBILS, where your loan qualifies for the scheme it is likely to be made a condition of your loan agreement.

* **If your loan qualifies for the Government’s CBILS scheme our standard application fees (including exit fees which may be applicable on short term finance) will be paid for you. You will also benefit from the first 12months of interest payments being paid for by the government.**
* Should your loan not qualify for the scheme then all fees and interest applicable to your loan will be payable by you. Non-standard fees such as those in 8 & 9 below will be payable by you whether under the CBIL’s scheme or not.

You can find out more about the CBILS in the Loans section of our website

# Arrangement Fee (not applicable to CBILS loans see 3 above)

* The Arrangement Fee is the amount you must pay for the cost of the preparation and administration of your loan application and loan agreement. **The fee is calculated as 3.5% of the drawdown amount in the loan agreement for standard term loans. There is a 4% arrangement fee for 12-month Short Term loans and a 4% exit fee at the end of the term. There may also be additional charges made for the arrangement of security under the loan agreement**.
* The Arrangement Fee must be paid prior to your loan being drawn-down, if for any reason it is not the fee may be claimed via your direct debit payments.
* If you do not draw down the loan funds following the preparation and approval of your loan application you will still be charged and must pay the Arrangement fee and we reserve the right to take legal action to recover the fee from you. (*There is no arrangement fee for loans approved under the Start-Up Loans program.)*

# Securities

* **Personal Guarantees** – are required on **all** loans. *Please note this will not apply to loans which qualify for the Coronavirus Business Interruption Loan Scheme (CBILS). However a Director’s ( Key Persons) undertaking will be required to ensure that all directors act in good faith.*
* **Tangible Security -**  We reserve the right to request tangible security as part of our conditions for lending.

You can find out more about Personal Guarantees in the Legal Information section of our website.

**You are strongly advised to obtain independent legal advice on all securities required**

# Repayments

* Repayments are made on a monthly basis by Direct Debit.
* There is a charge of £25.00 for late payment if an instalment is not paid by the due date unless this has been agreed in advance of the due date
* Early repayments are permitted but charges will apply. Please refer to the terms and conditions of your loan agreement for details.
1. **Performance Monitoring**
* The Borrower agrees to provide BEF Group promptly with such financial or other information as BEF Group may from time to time reasonably request to enable BEF Group to understand and assess the financial position and performance of the Borrower’s business. These include access to bank statements and the provision of management accounts to a satisfactory standard.
* The borrower agrees to provide BEF Group with job creation, employee segmentation and other non-financial information which may be required from time to time by our funders.

# Financial Recovery and Admin Fees

* You must pay all reasonable costs and expenses incurred by BEF Group as a result of you defaulting on your repayments or breaching the loan agreement. In the event of non-payment, BEF Group may use a debt recovery agent, our in-house legal team / external solicitors to recover any monies owed by you and you will be required to pay the full amount of any fees charged, costs, expenses or disbursements incurred as a result of your non-payment.
* If you fail to respond to communications sent to you or in the course of Recoveries work, BEF Group may instruct Trace Agents or carry out credit checks on you to confirm your address and situation*. (See Section 9 - Data Protection and Disclosure Declarations for further information on Credit Checks.)*
* In the event that a Court judgment is obtained any costs incurred by BEF Group after obtaining judgment may be added to your total judgment debt so that you may have to pay us both the amount of the judgment and our further costs and expenses until you have paid these in full. This means that even if you pay off the whole amount of the judgment you may still have a further sum to pay. In the same way, interest may be applied at the statutory rate to any outstanding balances after judgment has been obtained.
* **BEF Group will pursue all avenues available to secure repayment of the loan in the event of default or business failure**

# Fees and Charges

In addition to the arrangement fee, other fees and charges may become due either in arranging securities as part of our conditions for lending to you or during the life of the loan. A full list of these charges can be found on our Website [www.befund.org](http://www.befund.org) in the Legal notices section. If you are unable to access our website or would prefer a printed copy for your records please ask either your Investment Manager or a member of our admin team.

# Disclosure Declarations

**Personal Credit Checks**

* By signing the *Terms of Engagement* **you agree to BEF Group completing a credit check on you.**

A credit assessment and **Credit Check** will be carried out on both the company and all directors and applicants as individuals.. Credit searches may also be carried out at a future date as part of our trace and recovery work or in the prevention of fraud. The credit reference agency will hold a record of any search we make on your credit file which may be seen by other organisations if you apply for credit in the future.

**Providing False or Misleading Information**

* By signing the *Terms of Engagement* you are accepting that the information you give may be used for the purposes of preventing and detecting crime and that any misleading statements (whether deliberate or accidental) given at any stage during the application process may render the Application invalid and the Applicant(s) may be liable to return any money already paid out.

**Your personal Data and how it will be used**

* As part of your application and the lending process BEF will collect personal data about you and your business.

Your information is needed to assess, manage and monitor your loan arrangement and contract with us, we may also need to approach your bankers and/advisors for clarification should the need arise.

It will be used to confirm your identity and creditworthiness and for the prevention and detection of crime, fraud or money laundering.

It may also be shared with a limited number of trusted finance partners, organisations and associates that BEF works with to support the provision of loan finance to you and other businesses.

* By signing these *Terms of Engagement* you are accepting that BEF Group will use your information in this way.

***Sensitive Personal Data***

Some of the data we collect from you may be sensitive personal data, that is information about your health, gender, ethnicity or sexual orientation.

* By signing the *Terms of Engagement* **you are giving us your consent to process any sensitive data.**

More details on how your data is used and managed can be found in our Privacy Notice on our website. www.befund.org

We make every effort to ensure that your personal data is always protected, stored securely and used safely.

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| **Statement of Truth****By signing these Terms of Engagement you confirm that all the information you will provide will be a true and honest reflection of your business and personal finances. By misleading or giving false information in the process of this application you may be guilty of a criminal offence. If you are in the process of or intending to begin insolvency proceedings, such as an Individual Voluntary Arrangement (IVA), Company Voluntary Arrangement (CVA), Bankruptcy or have been recently issued with a Statutory Demand or Winding Up Petition or any similar process or are negotiating a Time To Pay Arrangement or similar with HMRC and do not disclose this fact at this stage then you may also be guilty of a criminal offence.** **BEF Group’s policy is to pursue prosecutions in such situations vigorously** |

**BY SIGNING THE TERMS OF ENGAGEMENT YOU AND YOUR COMPANY AGREE TO BE BOUND BY THESE TERMS AND CONDITIONS**

**WE STRONGLY RECOMMEND YOU SEEK LEGAL ADVICE BEFORE SIGNING OR CONFIRMING ACCEPTANCE OF THESE TERMS OF ENGAGEMENT**

**I hereby agree to be bound by the Terms & Conditions contained within the Terms of Engagement of BEF Group**

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| First Applicant: Name:……………………………...………………………D.O.B……………………. Address:…………………………………………………………………………………… ………………………………………….. Postcode:…………………………………... Signature:………………………………………… Date:……………………………. | Second Applicant: Name:……………………………...………………………D.O.B……………………. Address:…………………………………………………………………………………… ………………………………………….. Postcode:…………………………………... Signature:………………………………………… Date:……………………………. |
| Third Applicant: Name:……………………………...………………………D.O.B……………………. Address:…………………………………………………………………………………… ………………………………………….. Postcode:…………………………………... Signature:………………………………………… Date:……………………………. | Fourth Applicant: Name:……………………………...………………………D.O.B……………………. Address:…………………………………………………………………………………… ………………………………………….. Postcode:…………………………………... Signature:………………………………………… Date:……………………………. |